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ARIZONA CORPORATION COMMISSION

RECEIVED

April 11, 2016

2016 APR 11 A 9:11

Ms. Michelle Sharp, Consultant
c/o Eagletail Water Co., LLC
Post Office Box 692
Dolan Springs, Arizona 86441

AZ CORP COMMISSION
DOCKET CONTROL

RE: EAGLETAIL WATER COMPANY, LLC.- APPLICATION FOR A RATE INCREASE,
DOCKET NO. W-03936A-16-0096

LETTER OF DEFICIENCY

Dear Ms. Sharp:

In reference to the rate application you submitted on behalf of Eagletail Water Co., LLC received on March 16, 2016, this letter is to inform you that your application has not met the sufficiency requirements as outlined in Arizona Administrative Code R14-2-103.

Staff has found several deficiencies with your application, which are listed on a separate attachment. The 30-day sufficiency determination period will begin anew when the company corrects the deficiencies and Docket Control receives an original and sixteen copies of the corrected pages.

You have 15 calendar days, or until April 25, 2016, to correct the deficiencies or make other arrangements with Staff to remedy your rate application. If the corrections or other arrangements are not made by the above date, Staff will request your docket number be administratively closed. Docket Control will retain one copy of the original application for Commission records. You may file an original and sixteen copies of an updated application at a later date.

The Staff person assigned to your application is Brian E. Smith. He can be reached at (602) 542-0148, or toll free at (800) 222-7000, if you have any questions or concerns.

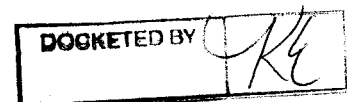
Sincerely,

James R. Armstrong
Chief, Revenue Requirements & Audits Section
Utilities Division

cc: Docket Control Center (sixteen copies)
Dwight Nodes, Hearing Division
Delbert Smith, Engineering
Consumer Services
Legal Division

Arizona Corporation Commission
DOCKETED

APR 11 2016



Eagletail Water Co., LLC
Rate Application
Docket No. W-03936A-16-0096
Test Year Ended June 30, 2015
List of Deficiencies

1. Staff was unable to reconcile the test year revenue included in the Company's rate application with test year bill count information that has been provided. Please review the bill count and the annotated revenues for accuracy and resubmit corrected schedules or application pages to correct the deficiency.
2. Staff observed several calculation errors annotated on the Comparative Statement of Income and Expense (application page 19A), including the test year calculations. Please review this statement to ensure all amounts are accurate and calculations are correct. Resubmit all applicable corrected documents.
3. Staff did not receive, as indicated in the Company's application on page 14, an invoice from Welch Pump for \$4,500 supporting plant additions for 2012. Please submit this invoice.
4. Staff understands that a request was made for the Company to correct information on pages 9 & 11 of the application and is required to be submitted by Wednesday April 13, 2016, as previously communicated. This letter is issued without these documents having been currently received but would also be included as an item of deficiency if not received by the indicated date.

Please contact Brian Smith (602-542-0148) with any questions regarding Staff's lists of deficiencies.